

**OBRA FORMULA FOR FISCAL YEAR 2003/04**  
**NEW ANNUAL FINANCIAL DISCLOSURE REPORT FORMAT**

$$\text{OBRA 1993 Hospital Specific Limit}^* = \left( \frac{\text{Medi-Cal/Uninsured Expenses}}{\text{Medi-Cal/Uninsured Revenues}} \right) - \left( \frac{\text{Medi-Cal/Uninsured Revenues}}{\text{Medi-Cal/Uninsured Expenses}} \right)$$

\* Note: As per BBA 97 and BBRA 99, the OBRA limit amounts determined by the formula will be applied:

- at 175% to public hospitals
- at 100% to non-public hospitals

## Medi-Cal/Uninsured Expenses

$$\text{Medi-Cal/Uninsured Expenses} = \left( \frac{\text{Projected Total Hospital Expenses For FY 03/04}}{\text{Patient Mix}} \right) \left( \text{Medi-Cal/Uninsured Patient Mix} \right) + \left( \text{Demonstration Project Expenses}^1 \right)$$

Where,

$$\text{Projected Total Hospital Expenses For FY 03/04} = \left( \frac{\text{Projected Adjusted Hospital Operating Expenses For FY 03/04}}{\text{Expenses For FY 03/04}} \right) + \left( \frac{\text{Estimated FY 03/04 CRRP Costs (From Survey)}}{\text{CRRP Costs (From Survey)}} \right) - \left( \frac{\text{Estimated FY 03/04 Medi-Cal Administrative Activities (From Survey)}}{\text{Medi-Cal Administrative Activities (From Survey)}} \right)$$

Where,

$$\text{Projected Adjusted Hospital Operating Expenses For FY 03/04} = \left[ \left( \frac{\text{Total Operating Expenses}^2}{\text{L0820001}} \right) - \left( \frac{\text{CRRP Costs For FY Ending In 2001 (From Survey)}}{\text{CRRP Costs For FY Ending In 2001 (From Survey)}} \right) \right] \left( \frac{\text{Trend Factor}}{\text{Trend Factor}} \right)$$

and where,

$$\text{Trend Factor} = \left[ \left( \frac{\text{Medicare Market Basket Percentage for FFY 2002}}{\text{Basket Percentage for FFY 2002}} \right) \left( \frac{\text{Hospital 2001 FY End Month Adjustment Factor}}{\text{End Month Adjustment Factor}} \right) + 1 \right] \left[ \left( \frac{\text{Medicare Market Basket Percentage for FFY 2003}}{\text{Basket Percentage for FFY 2003}} \right) + 1 \right] \left[ \left( \frac{\text{Medicare Market Basket Percentage for FFY 2004}}{\text{Basket Percentage for FFY 2004}} \right) + 1 \right]$$

1. Demonstration project expenses are determined based on the terms and conditions of an approved federal Medicaid demonstration project.
2. From the OSHPD Annual Financial Disclosure Report for fiscal year ending in 2001.

(continued next page)

|                                |   |   |
|--------------------------------|---|---|
| Medi-Cal/Uninsured Patient Mix | = | $\frac{\left( \begin{array}{c} \text{Total Medi-Cal} \\ \text{In/Outpatient Charges}^1 \\ (L1241505 + L1241506 + \\ L1241507 + L1241508 \\ + \text{Short/Doyle Charges}) \end{array} \right) + \left( \begin{array}{c} \text{Total County Indigent Program} \\ \text{In/Outpatient Charges}^2 \\ (L1241509 + L1241510 + \\ L1241511 + L1241512) \end{array} \right) + \left( \begin{array}{c} \text{Total Uninsured} \\ \text{In/Outpatient Charges}^2 \\ (L1241517 + L1241518 + \\ L1241519 + L1241520) \end{array} \right)}{\begin{array}{c} \text{Total In/Outpatient Charges}^2 \\ (L1241523) \end{array}}$ |
|--------------------------------|---|---|

1. From the OSHPD Annual Financial Disclosure Report for fiscal year ending in 2001 and the OSHPD Confidential Discharge Data files for calender year of service 2001. Also from San Mateo, Santa Barbara, Solano, Orange, Napa, Santa Cruz, and Monterey (For 01/01 through 12/01) county plans paid claims files and the Medi-Cal Short/Doyle paid claims files for calender year of service 2001 with dates of payment through May 2003.
2. From the OSHPD Annual Financial Disclosure Report for the hospital's fiscal year ending in 2001.

## Medi-Cal/Uninsured Revenues

$$\begin{aligned}
 \text{Medi-Cal/Uninsured Revenues} = & \left( \begin{array}{c} \text{Total Medi-Cal} \\ \text{In/Outpatient} \\ \text{Revenues For CY} \\ \text{of Payment 2002}^1 \end{array} \right) + \left( \begin{array}{c} \text{Estimated} \\ \text{FY 03/04} \\ \text{CRRP Revenues} \\ \text{(From Survey)} \end{array} \right) + \left( \begin{array}{c} \text{Emergency Services/} \\ \text{Supplemental Payments} \\ \text{Revenues} \\ \text{(SB1255 Funds Paid} \\ \text{or Payable} \\ \text{For FY 03/04)}^2 \end{array} \right) + \left( \begin{array}{c} \text{Estimated FY 03/04} \\ \text{Targeted Case} \\ \text{Management Revenues} \\ \text{(From Survey)} \end{array} \right) \\
 & + \left[ \left( \begin{array}{c} \text{Uninsured Cash} \\ \text{Payments}^3 \\ (| \text{L1244517}| + | \text{L1244518}| + | \text{L1244519}| + | \text{L1244520}| \\ + | \text{L1246017}| + | \text{L1246018}| + | \text{L1246019}| + | \text{L1246020}|) \end{array} \right) \left( \text{Trend Factor}^4 \right) + \left( \begin{array}{c} \text{03/04 Demonstration} \\ \text{Project Revenues}^5 \end{array} \right) \right] \\
 & + \left( \begin{array}{c} \text{03/04 Graduate Medical} \\ \text{Education Revenues}^2 \end{array} \right) + \left( \begin{array}{c} \text{02/03 CMAC} \\ \text{Overpayments}^6 \end{array} \right)
 \end{aligned}$$

1. From the Medi-Cal paid claims files, Medi-Cal Short/Doyle paid claims files, Medi-Cal Inpatient Psychiatric paid claims files, the San Mateo, Santa Barbara, Solano, Napa, Orange, Santa Cruz, Monterey, and Yolo (3/2002 to 12/2002) county plans paid claims files and data collected from the Medi-Cal Managed Care plans for calendar year of payment 2002.
2. From CMAC.
3. From the OSHPD Annual Financial Disclosure Report for fiscal year ending in 2001.
4. Same as the Trend Factor calculated on page two.
5. Demonstration project revenues are determined based on the terms and conditions of an approved federal Medicaid demonstration project.
6. Additional 2002/03 SB1255 and/or Graduate Medical Education and/or AB761 payments that caused a hospital to exceed their 2002/03 OBRA payment limit. (Calculated on Excel spreadsheet)